RCN briefing on the Department of Health Consultation: Changing how healthcare education is funded
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About the RCN

With a membership of around 435,000 registered nurses, midwives, health visitors, nursing students, health care assistants and nurse cadets, the Royal College of Nursing (RCN) is the voice of nursing across the UK and the largest professional union of nursing staff in the world. RCN members work in a variety of hospital and community settings in the NHS and the independent sector. The RCN promotes patient and nursing interests on a wide range of issues by working closely with the Government, the UK parliaments and other national and European political institutions, trade unions, professional bodies and voluntary organisations.

Background

The Department of Health is consulting on plans to change higher education funding for nursing, midwifery and allied health professional students in England. The consultation was launched on 7 April 2016 and will run for 12 weeks until 30 June 2016.

The consultation follows an announcement made in the Comprehensive Spending Review and Autumn Statement in November 2015 that from August 2017, the NHS bursary for nursing, midwifery and allied health professional students in England would be replaced with student loans.

Details of the RCN’s initial response to the consultation proposals can be found here: [www.rcn.org.uk/professional-development/publications/pub-005621](http://www.rcn.org.uk/professional-development/publications/pub-005621) The RCN will be submitting a detailed and evidence-based response to the Government’s consultation after undertaking the widest possible engagement with our members, including through a survey of members in England. For more details visit: [www.rcn.org.uk/studentbursaries](http://www.rcn.org.uk/studentbursaries)

Alongside this, members may wish to respond directly to the Department of Health consultation at: [www.gov.uk/government/consultations/changing-how-healthcare-education-is-funded](http://www.gov.uk/government/consultations/changing-how-healthcare-education-is-funded)

This is a factual briefing to provide a summary of the changes proposed by the Department of Health and outlines some key considerations for RCN members. We are mindful that these proposals may prompt strong views from across our membership and we will be engaging widely to ensure that these perspectives and experiences inform the development of our response. There is a strong link between these proposed changes and other nursing workforce developments such as the proposed new nursing associate role and the consultation on apprenticeships, which is yet to be published.
Summary of the changes proposed

The Department of Health consultation document presents further detail on the announcement made in November 2015.

• From 1 August 2017, it is proposed that all new nursing, midwifery and allied health professional students in England will receive their funding and financial support through loans provided by the Student Loans Company England, rather than through the current NHS Bursary Scheme.

• Alongside this, from 2017 new students will no longer have their course fees paid by Health Education England (HEE) but will be liable for tuition fees of up to £9,000 per year, and eligible for student loans to cover the cost of these fees.

• Under the proposals future nursing students will incur debts of up to £60,000 for a three-year degree.

The aims of the Department of Health consultation

The Department of Health claims that these changes will result in:

• around 25% more in the living cost support available for full-time students (this figure varies depending on the circumstances of the student)

• the creation of up to 10,000 more health professional training places by the end of this Parliament (the Department of Health has provided no evidence to support this figure)

• a sustainable funding system for universities – enabling them to invest in infrastructure to increase the number of places available for nursing, midwifery and allied health professional students, and improve teaching quality through that investment. It is important to note that the Department of Health does not present an analysis of how increased numbers of quality placements will be secured to support an increase in university places.
Detail of the reforms proposed

The consultation document states that based on the current system, a student who takes a maximum tuition and maintenance loan for three years would graduate with student loan borrowing of between £47,712 and £59,106.

Repayment of the loan starts once a graduate is earning £21,000 and the repayments are currently 9% of income over £21,000. In November 2015 the government also announced that the repayment threshold for student loans will be frozen at £21,000 for five years until 2021 at the earliest, rather than increasing in line with average earnings, effectively resulting in students paying back more over time.

The Department of Health calculates that newly qualified nurses earning £21,700 at band 5 will pay back around £5.25 a month. If their salary drops below £21,000 a year, then their repayments stop. If they have not paid back their loan after 30 years the balance is written off.

Those students who defer their 2016 place until 2017 will be required to be funded under the new system. Existing pre-2017 students who have temporarily suspended their studies will remain on the NHS bursary scheme until the end of their course.

Postgraduate courses and second degrees

Under the proposals students on pre-registration postgraduate courses would no longer be eligible for fees paid or a bursary but would instead be able to apply for a postgraduate loan. Students would be able to borrow up to £10,000 over the duration of their course to use towards their fees and living costs. This loan would not be means tested. This applies to students who are on pre-registration full-time postgraduate programmes one or two years in length (or equivalent part-time courses studied at 50% and three year part-time courses where there is no full-time equivalent).

Pre-registration postgraduate loan repayment will be calculated at 6% of income above the income threshold and will commence when the borrower earns £21,000 or more. The £21,000 threshold will be frozen until at least 2021. Repayments will be made concurrently, alongside repayment of any outstanding undergraduate student loan. These developments will result in a large reduction in finance available to support the living costs of pre-registration postgraduate students and substantially increased loan repayments after graduating. The Department of Health has provided limited analysis of the potential impact of these changes on numbers of students looking to study for a postgraduate degree.

To support students who are planning to undertake nursing, midwifery and allied health profession subjects as a second degree, the government will put in place an exemption to enable these students to access the standard student support system, similar to students studying for a first degree.

Such students who take on a second undergraduate loan will be required to make repayments on the second loan once the balance of the first loan has been repaid. The document suggests that the 30-year repayment term will commence when the graduate begins to pay off the second loan.
Widening participation and fair access

The consultation document suggests that the Government’s claim of extra finance of up to 25% in living costs will contribute towards widening participation. There is a worrying lack of assessment of the potential for the changes to act as a disincentive for some students, such as mature students or those from lower income backgrounds.

The Department of Health also points out that students studying nursing, midwifery and allied health professions will be brought within the system of ‘access agreements’, the plans by each institution to promote access to higher education by under-represented groups, e.g. through outreach, support to improve retention and financial support such as targeted bursaries and scholarships. It does not explore how these initiatives could or would be tailored to support the unique profile of nursing and other health care students.

The consultation acknowledges that childcare costs could have a significant influence on participation. The document claims that the current Business, Innovation and Skills (BIS) non-repayable allowances for childcare and dependants are generally higher than those under the current NHS bursary, and they do not consider that there is a case for providing additional financial support alongside what is provided under the BIS system.

Payments for maternity and paternity leave that were a feature of the NHS Bursary system will not be provided under the new loans system. Support for the first 60 days of maternity and paternity leave will be discrentional.

Devolved nations

The proposals only apply to nursing, midwifery and allied health professional students who are ordinarily resident in England. England residents of nursing, midwifery and allied health professional degrees, who study in any of the other UK countries will need to apply to Student Finance England for tuition and living cost support.

Those students who are ordinarily resident in Scotland, Wales and Northern Ireland who wish to study in England will need to apply to the student funding body within the country they ordinarily reside for tuition and living cost support.

Placements

The Government, through HEE, will retain the responsibility for commissioning and funding the minimum numbers of clinical placements, assessed as required, to produce sufficient health care graduates. There will be extra clinical placement capacity required for the 10,000 additional numbers of students that the Government are estimating will be able to take up places because of this reform. The Department of Health, worryingly, does not provide a breakdown of the extra funding that will be made available in the event of extra demand on placements. No consideration is given to the impact on placements of other education reforms such as nursing associates and new apprenticeship routes, which are also likely to increase the workload of mentors.
Placement expenses

Under the proposed new system, students would be entitled to receive financial support with the costs associated with travel to and from clinical placements under the standard student support system. Under the BIS student support arrangements students will be required to contribute an excess (of around £300) towards their placement travel costs before costs are reimbursed. No further information was provided on finance available to support placements, and the impact of this change on those who incur higher expenses, for example, those in rural areas.

Next steps

The RCN’s initial response to the consultation is available at: www.rcn.org.uk/professional-development/publications/pub-005621. The closing date for responses is 30 June 2016 and the RCN will be submitting a detailed evidence-based response to the Department of Health.

The RCN will be releasing a survey to explore member views and to shape the final RCN response to this consultation. The survey will be launched in May and will be available at: www.rcn.org.uk/studentbursaries, alternatively you can email your comments to policycontacts@rcn.org.uk.
Government consultation questions

Below are the Department of Health’s consultation questions in full, which should be read in conjunction with the consultation web pages at: www.gov.uk/government/consultations/changing-how-healthcare-education-is-funded

The consultation assumes that there is broad agreement for the changes amongst the profession. Only a relatively narrow set of issues are subject to consideration in the document and form the basis of the consultation questions. Some of the questions themselves appear ‘leading’ in their focus.

Question 1:
After reading the list of impacted undergraduate and postgraduate courses, are there further courses which you consider should be included in the scope of the reforms? If yes, what are these courses and why would the current funding and delivery models require their inclusion?

Question 2:
Do you have any views or responses that might help inform the government’s proposed work with stakeholders to identify the full set of postgraduate healthcare courses which would not be eligible for a Postgraduate Masters loan and to consider the potential support or solutions available?

Question 3:
We consider that operating the exemption will support the objectives for encouraging second degree students to undertake nursing, midwifery and allied health courses. Are there any other options, which do not include an NHS bursary, which could be considered?

Question 4:
Are there circumstances, as set out above [Principles of Fair Access] or otherwise, in which the standard student support system which would be available for nursing, midwifery and allied health students would be inadequate or limit participation? Why is this? We are specifically interested in cases where an individual’s circumstances mean that they would not fully benefit from the increase in living cost support, or to the same extent as other students.

Yes / No

Question 5:
Do you agree that increasing the available support for living costs typically by around 25% or more, and enabling these students to apply for additional funding through the allowances on offer from the Student Loans Company, would ensure that we continue to have a diverse population of students?

Question 6:
Are there specific factors relating to healthcare students which you consider we need to take account of in relation to the discretionary maternity support provided by the student support system?

Question 7:
Are there any other measures which could be considered to support our principles of fair access?
Question 8:

Do you consider that the potential options for those new part-time students, commencing courses in 2017/18, will support students in continuing to undertake these courses in this transitional period?

Yes / No

Question 9:

Do you consider that moving all new part-time students onto the student support system for both tuition and living cost support, through the Student Loans Company from 2018/19, will continue to encourage part-time students to undertake these healthcare courses on a part-time basis?

Yes / No

If No – please set out details of further supporting action you consider may be necessary by the government for students commencing courses from 2018/19 onwards. (Any options including the ongoing use of an NHS bursary, or changes to the student support system will not be considered.)

Question 10:

Do you have any general comments on the content of Chapter 2 which you think the government should consider?

Yes / No

Question 11:

We would welcome respondents’ views on how, in delivering these reforms, we look at the widest possible solutions to ensuring high quality clinical placements. These views will actively inform further stakeholder engagement prior to the government response.

Yes / No

Question 12:

What more needs to be done to ensure small and specialist subject provision continues to be adequately provided?

Question 13:

Do you have any general comments on the content of Chapter 4 which you think the government should consider?

Yes / No

Question 14:

Do you have any further comments on this consultation which you think the government should consider?

Yes / No

Your views matter and are critical in forming the RCN response to this consultation. Please keep a look out for further updates on the RCN website.

For more information please see the RCN website or contact the RCN Policy and International Department at policycontacts@rcn.org.uk
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www.rcn.org.uk/studentbursaries

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